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BEFORE THE  
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY


SPECIAL SERVICES REFORM, 1996

DOCKET NO. MC96-3

FIRST SET OF INTERROGATORIES OF  
UNITED PARCEL SERVICE TO UNITED STATES  
POSTAL SERVICE WITNESS RICHARD PATELUNAS  
(UPS/USPS-T5-1 - 14)  
(July 26, 1996)

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, United Parcel Service hereby submits the attached interrogatories UPS/USPS-T5-1 - 14 to United States Postal Service witness Richard Patelunas.

Respectfully submitted,



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Of Counsel.

UPS/USPS-T5-1. Please refer to page 6 of your testimony at lines 11-12.

Identify and describe all "changes between Fiscal Year 1993 and Fiscal Year 1994" (a) in the Postal Service's costing systems (including but not limited to the In-Office Cost System), (b) in Postal Service data collection forms, and (c) in the procedures or methods used in compiling the data, making calculations therefrom, or otherwise arriving at costs allocated or distributed to the various classes, subclasses, rate categories, or other groupings of mail.

UPS/USPS-T5-2. In the case of each such change identified in response to interrogatory UPS/USPS-T5-1, indicate why each change was made and provide the effect of the change, in dollars, on the costs allocated or distributed to each of the various classes, subclasses, rate categories, or other groupings of mail.

UPS/USPS-T5-3. Please refer to page 8 of your testimony at lines 7-20.

(a) Identify every cost that formerly was in one segment and that now is in another segment, and, in the case of each such cost, indicate the segments from which and the segments to which the costs were transferred.

(b) Do any of these changes affect the costs allocated or distributed to each of the various classes, subclasses, rate categories, or other groupings of mail? If so, describe how each of the various classes, subclasses, rate categories, or other groupings are affected.

UPS/USPS-T5-4. Provide the "tally analysis" and all related workpapers or other documents referred to on line 21 of page 8 of your testimony.

UPS/USPS-T5-5. (a) Provide (1) every adjustment factor “for weighting CAG B tallies” referred to in your testimony at the bottom of page 8 and the top of page 9, (2) the unadjusted figures to which each adjustment factor was applied, and (3) the figures resulting from the application of each adjustment factor.

(b) Describe how each adjustment factor was determined.

UPS/USPS-T5-6. Provide every basis for your conclusion, stated on page 9 of your testimony at lines 1-3, that prior to the application of the adjustment factors, there was “an understatement of mail processing functions in CAG B offices” (emphasis added).

UPS/USPS-T5-7. Provide every basis for the conclusion stated on page 9 of your testimony at lines 5-6 that the way in which finance numbers were assigned “resulted in a potential bias.”

UPS/USPS-T5-8. Provide every basis for the conclusion stated on page 9 of your testimony at lines 5-7 that the “potential bias” referred to by you “undersampled mail processing functions and oversampled customer service functions” (emphasis added).

UPS/USPS-T5-9. (a) Identify every adjustment factor referred to on line 8 of page 9 of your testimony, provide the figures to which each adjustment factor was applied, and provide the figures resulting from the application of each adjustment factor.

(b) Describe how each adjustment factor was determined.

UPS/USPS-T5-10. Refer to page 9 of your testimony at lines 12-15.

(a) Identify and describe every "refinement[ ]" in the rules used to assign activity codes for Bulk Small Parcel Service (BSPS), third-class single piece, and First-Class ZIP+4 barcoded flats" and, in the case of each refinement, state why it was made and the effect of the refinement on the costs allocated or distributed to Parcel Post, third-class single piece, First-Class ZIP+4 barcoded flats, and any other grouping or groupings of mail affected by the refinement.

(b) In the case of each such refinement, provide references to the computer code reflecting each refinement as well as references to the corresponding computer code as it existed prior to making the refinement.

(c) What training did the IOCS tally takers receive in connection with the implementation of these refinements?

UPS/USPS-T5-11. Identify and describe all of the "BSPS changes . . . in the assignment of tallies for bulk small parcels" referred to on lines 15-16 of page 9 of your testimony. In the case of each such change, provide the dollar amount of costs shifted away from parcel post and identify the class, subclass, or rate category to which the costs were shifted.

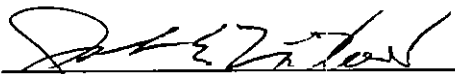
UPS/USPS-T5-12. Provide every basis for your conclusion, stated on lines 15-16 of page 9 of your testimony, that there was an "overstatement" to parcel post in the assignment of tallies for bulk small parcels.

UPS/USPS-T5-13. Refer to lines 19-21 on page 9 of your testimony. Identify every way in which “the rules used to assign tallies for some third-class mail pieces were refined.”

UPS/USPS-T5-14. Identify and describe every other change in data collection forms, procedures, or methods not identified in the answers to interrogatories UPS/USPS-T5-1 through UPS/USPS-T5-16 that affects or affected in any way the amount of costs allocated or distributed to parcel post from Fiscal Year 1994 to Fiscal Year 1995, and, in the case of each such change, (a) state the dollar amount of costs shifted away from parcel post and (b) the dollar amount of costs shifted to parcel post.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice and the Special Rules of Practice in this proceeding.

  
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John E. McKeever  
Attorney for United Parcel Service

Dated: July 26, 1996  
Philadelphia, Pa.